



Department of Energy
Western Area Power Administration
Desert Southwest Customer Service Region
P.O. Box 6457
Phoenix, AZ 85005-6457

AUG | 2005

Dear Parker-Davis Project Electric Service Customers:

A meeting will be held at Western Area Power Administration's (Western) Desert Southwest Customer Service Regional Office located at 615 South 43rd Avenue in Phoenix, Arizona on Friday, August 5, 2005, beginning at 10:00 a.m. Notice of this meeting was previously sent to you on July 15, 2005.

An updated version of the proposed Parker-Davis Project contract extension prototype Amendment No. 1 (prototype Amendment No. 1) dated August 1, 2005 has been posted to Western's website located at www.wapa.gov/dsw/pwrmkt/PDProj. A copy of the prototype Amendment No. 1 has also been attached to this document for your reference.

The meeting on Friday, August 5, 2005 is for informal dialogue and discussion to clarify current draft prototype Amendment No. 1 provisions and address any remaining customer comments and concerns. The changes are briefly summarized below:

- Opt-In Program: Modifications were made to the Seasonal Energy definition and the Firm Electric Service section to allow for a reduction in energy delivery obligations based on projected hydrological conditions in lieu of making rate-based power purchases.
- Billings, Payment and Schedule of Rates: Dates for transition to the payment-one-month-in-advance were modified to commence at the beginning of the next fiscal year after execution of the contract.
- Section 12, Review and Adjustment of Federal Power Allocation is deleted in its entirety.
- General Power Contract Provisions (GPCPs). The new GPCPs dated June 15, 2005 have been added.

If you have any questions or items to discuss prior to the meeting on August 5, 2005, please feel free to contact me at (602) 605-2555.

Sincerely,

Jean Gray
Assistant Regional Manager
For Power Marketing